
By: **Delegate Edwards**

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Assigned to: Rules and Executive Nominations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 20, 2003

CHAPTER _____

1 AN ACT concerning

2 **Natural Resources - State Boat Act - ~~Exemptions from Excise Tax~~**

3 FOR the purpose of ~~exempting a person from paying a certain excise tax for a transfer~~
4 ~~to a business of a certain vessel for certain purposes; exempting a person from~~
5 ~~paying a certain excise tax on a certain vessel that is purchased in the State,~~
6 ~~subject to certain use limitations, and the displaying of a certain sticker~~
7 exempting certain transfers from the vessel excise tax; providing that certain
8 vessels in use for a certain amount of time are exempt from the tax; providing
9 that the Department of Natural Resources may issue a certificate of number to
10 a vessel under certain conditions; providing for the issuance of a title to certain
11 vessels under certain conditions; and generally relating to exemptions from
12 vessel excise taxes.

13 BY repealing and reenacting, ~~without~~ with amendments,
14 Article - Natural Resources
15 Section ~~8-716(e)~~ 8-715(c) and 8-716(e)
16 Annotated Code of Maryland
17 (2000 Replacement Volume and 2002 Supplement)

18 BY repealing and reenacting, with ~~without~~ amendments,
19 Article - Natural Resources
20 Section ~~8-716(e)~~ 8-716(c)
21 Annotated Code of Maryland
22 (2000 Replacement Volume and 2002 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Natural Resources**

4 8-715.

5 (c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS
6 SUBSECTION, THE Department may not issue or renew a certificate of number to any
7 vessel required to be registered and numbered in the State unless the Department
8 has issued a certificate of title to the owner.

9 (2) THE DEPARTMENT MAY ISSUE A CERTIFICATE OF NUMBER TO A
10 VESSEL PURCHASED BY A NONRESIDENT FROM A LICENSED DEALER WITHIN THIS
11 STATE IF THE APPLICATION FOR A CERTIFICATE OF TITLE ACCOMPANIES THE
12 APPLICATION FOR A CERTIFICATE OF NUMBER. THE DEPARTMENT MAY ISSUE THE
13 CERTIFICATE OF TITLE ONLY AFTER ANY TAXES DUE UNDER THIS SUBTITLE ARE
14 PAID IN FULL.

15 8-716.

16 (c) (1) Except as provided in § 8-715(d) of this subtitle and in subsections (e)
17 and (f) of this section, and in addition to the fees prescribed in subsection (b) of this
18 section, an excise tax is levied at the rate of 5% of the fair market value of the vessel
19 on:

20 (i) The issuance of every original certificate of title required for a
21 vessel under this subtitle;

22 (ii) The issuance of every subsequent certificate of title for the sale,
23 resale, or transfer of the vessel;

24 (iii) The sale within the State of every other vessel; and

25 (iv) The possession within the State of a vessel purchased outside
26 the State to be used principally in the State.

27 (2) Notwithstanding the provisions of this subsection, no tax is paid on
28 issuance of any certificate of title if the owner of the vessel for which a certificate of
29 title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland
30 sales and use tax on the vessel as required by law at the time of acquisition. The
31 Department may require the applicant for titling to submit satisfactory proof that the
32 applicant owned the vessel prior to June 1, 1965.

33 (e) A person is not required to pay the tax provided for in subsection (c) of this
34 section resulting from:

35 (1) A transfer between members of the immediate family as determined
36 by Department regulations;

1 (2) A transfer to a [licensed dealer] BUSINESS of a vessel for CHARTER,
2 resale, RENTAL, OR LEASE purposes;

3 (3) The holding of a vessel that is titled or numbered in another state or
4 is federally documented, provided:

5 (i) The vessel is held for resale or listed for resale by a licensed
6 dealer; and

7 (ii) The vessel owner signs an affidavit that there will be no use of
8 the vessel on the waters of the State other than for a sea trial;

9 (4) Purchase of a vessel by the State or any political subdivision;

10 (5) Purchase of a vessel by an eleemosynary organization which the
11 Secretary has approved;

12 (6) The purchase within the State of a vessel if the owner paid or
13 incurred a liability for the Maryland sales and use tax on the vessel prior to July 1,
14 1986;

15 (7) The possession within the State of a vessel which was purchased
16 outside the State if the owner paid or incurred a liability for the Maryland use tax on
17 the vessel prior to July 1, 1986;

18 (8) The possession of a vessel that was purchased or acquired prior to
19 coming into the State by a nonresident of the State and is not used principally on the
20 waters of the State and if the issuance of a title is not sought, except that:

21 (i) A vessel is not deemed used on the waters of the State if the
22 vessel is used for 90 days or less of a calendar year; and

23 (ii) If a vessel is used for more days than 90 days in a calendar year,
24 the period of 90 days shall be counted in the determination of principal use under this
25 subtitle;

26 (9) ~~THE PURCHASE OF A VESSEL FROM A LICENSED DEALER WITHIN~~
27 ~~THE STATE BY A NONRESIDENT OF THE STATE, IF:~~

28 ~~(I) THE VESSEL WILL BE USED ON WATERS OF THE STATE FOR 90~~
29 ~~DAYS OR LESS OF A CALENDAR YEAR; AND~~

30 ~~(II) THE VESSEL DISPLAYS, ON OR ABOUT THE FORWARD HALF OF~~
31 ~~THE VESSEL, A STICKER, DEVELOPED BY THE DEPARTMENT AND PROVIDED TO~~
32 ~~DEALERS, THAT INCLUDES:~~

33 ~~1. A SPACE, TO BE FILLED IN BY THE DEALER, FOR THE DATE~~
34 ~~THAT THE VESSEL WAS DELIVERED TO THE PURCHASER; AND~~

35 ~~2. A STATEMENT THAT THE VESSEL MAY ONLY BE USED ON~~
36 ~~WATERS OF THE STATE FOR 90 DAYS OR LESS OF A CALENDAR YEAR FROM THE TIME~~

